

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial Market Participant: North-East Asset Management

Summary:

North-East Asset Management's services are based on our value-based investment strategy. Our ambition is to build responsible, return driven portfolios in which all assets are positively selected by active, responsible investment managers. However, the investment strategy does not have a specific target on any sustainability factor.

The present statement is the consolidated statement on principal adverse impacts on sustainability factors of North-East Asset Management

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022 and from 1 January 2023 to 31 December 2023. 2022 was the first year North-East started collecting ESG data on the assets in the portfolios we manage.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

Climate and Other Environment-Related Indicators

Adverse sustainability indicator		Metric	2022	2023	Explanation	Actions taken, planned and targets set for the next reference period
GHG Emissions	1. GHG Emissions	Total GHG Emissions in million tons	37.958	54.367	The scope 1, 2 and 3 carbon emission has increased markedly since 2022 due to investments in a few companies with high scope 3 emission i.e. General Electric.	Our value-based investment strategy encourages our investment managers to invest in companies that act and grow responsibly.
	2. Carbon Footprint	Carbon Footprint million ton CO2 per invested million	158	236		
	3. GHG Intensity of investee companies	GHG Intensity of investee companies million ton CO2 per million revenue	323	513		

	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0,84%	1,72%	The exposure to companies active in the fossil fuel sector has increased since 2022 due to a position in General Electric.	Our value-based investment strategy encourages our investment managers to invest in companies that act and grow responsibly.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	60,66%	53,69%	Data reliability on this sustainability indicator is still considered quite low. The share of non-renewable energy consumption has fallen because of increased allocation to companies in Financials and Information Technology sectors.	Our value-based investment strategy encourages our investment managers to invest in companies that act and grow responsibly.
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0,14	0,05	The energy consumption intensity has decreased because of a lower allocation to the high emitting companies.	Our value-based investment strategy encourages our investment managers to invest in companies that act and grow responsibly.
Biodiversity	7. Activities negatively affecting biodiversity sensitive areas	Share of investments in investee companies with sites/operations located in or near to	100%	0%	For this sustainability indicator specifically, data is still very scarce or difficult to interpret consistently and in a meaningful way.	Our value-based investment strategy encourages our investment managers to invest in companies that act and grow responsibly.

		biodiversity-sensitive areas where activities of those investee companies negatively affect those areas			Only one company was rated in 2022 giving a score of 100%. In 2023, no investments are covered.	Until reliable and consistent quantitative data are available, it is difficult to quantify and manage a potential negative impact on biodiversity.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0,84	0,00	For this sustainability indicator specifically, data is still very scarce or difficult to interpret consistently and in a meaningful way. The lower emission is due to no longer being invested in the highest emitter in 2022.	Our value-based investment strategy encourages our investment managers to invest in companies that act and grow responsibly. Until reliable and consistent quantitative data are available, it is difficult to quantify and manage emissions to water from portfolio companies.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	1,34	0,40	The fall in hazardous waste is due to a reduced allocation to investee companies that generate hazardous and radioactive waste.	Our value-based investment strategy encourages our investment managers to invest in companies that act and grow responsibly.

Indicators for Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters

Adverse sustainability indicator		Metric	2022	2023	Explanation	Actions taken, planned and targets set for the next reference period
Social and Employee Matters	10. Violations of UN Global Compact (UNGC) Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	4,08%	3,55%	<p>For this sustainability indicator specifically, data is still very scarce or difficult to interpret consistently and in a meaningful way.</p> <p>The investment strategy doesn't address investee violation of UNGC principles or OECD guidelines specifically.</p>	Our value-based investment strategy encourages our investment managers to invest in companies that act and grow responsibly.
	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC Principles and OECD Guidelines	Average ESG Book metric for lack of processes and compliance mechanisms for UNGC principles and OECD Guidelines	108,06%	75,33%	<p>For this sustainability indicator specifically, data quality is poor and difficult to interpret in a meaningful way.</p> <p>The overall score on this metric has increased since 2022, but the data for 2022 included 3 outliers</p>	Our value-based investment strategy encourages our investment managers to invest in companies that act and grow responsibly.

					with scores above the defined maximum score of 100 thereby distorting the 2022 results.	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	11,31%	12,58%	The unadjusted gender pay gap has increased since 2022 driven by the Financials sector. Note, that the coverage for this metric is only 8%.	Our value-based investment strategy encourages our investment managers to invest in companies that act and grow responsibly.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	31,70%	34,09%	This development is driven by a broad-based increase in the share of women in boards.	Our value-based investment strategy encourages our investment managers to invest in companies that act and grow responsibly.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	1,85%	1,68%	The exposure to controversial weapons manufactures has decreased due to lower allocation to the French weapons producer Safran SA.	Our value-based investment strategy encourages our investment managers to invest in companies that act and grow responsibly.

Indicators Applicable to Investments in Sovereigns and Supranationals

Adverse sustainability indicator		Metric	2022	2023	Explanation	Actions taken, planned and targets set for the next reference period
Environmental	15. GHG Intensity	GHG intensity of investee countries	N/A	0,2	For this PAI, data is still very scarce or difficult to interpret consistently and in a meaningful way. The GHG intensity has increased due to a higher coverage.	Our value-based investment strategy encourages our investment managers to invest responsibly.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations	N/A	N/A	For this PAI, data is still very scarce or difficult to interpret consistently and in a meaningful way. The current investment strategy focuses on OECD countries where such social violations are less frequent.	Our value-based investment strategy encourages our investment managers to invest responsibly.

		principles and, where applicable, national law				
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Description of Policies to Identify and Prioritise Principal Adverse Impacts on Sustainability Factors

North-East Asset Management’s services are based on our value-based investment strategy. Our ambition is to build responsible, return driven portfolios in which all assets are positively selected by active, responsible investment managers. However, the investment strategy does not prioritize nor have a specific target on any sustainability factor.

Historical Comparison

Historical comparison is in the table above.